

April 25, 1975

SENATOR F. LEWIS: Obviously you know social security as well as I do. It's not quite that high Senator Murphy. The percentage would be about 6, 7 . . . about 7 1/2 would be closer while the employee's paying about 9.

SENATOR MURPHY: Did I understand you to say that the school district would pay an amount approximately equal to the teachers?

SENATOR F. LEWIS: No. Let me explain it one more time.

SENATOR MURPHY: Maybe I can go to the direct point Senator. I thought I heard you say that the teacher would be paying 53 percent?

SENATOR F. LEWIS: That's correct Senator Murphy, but you see the school district and the state are both partners in this retirement system. The school district is part of it, is 1.48 percent of the teachers payroll. The state is obligated for what's known as the service annuity. In other words the state pays and the school district both pay to make up that 47 percent.

SENATOR MURPHY: The taxpayer pays part through the state and part through the school district?

SENATOR F. LEWIS: That's right. That's absolutely correct.

SENATOR MURPHY: Ultimately we get it up . . . you are saying to about 7 something and I was trying to . . . I was thinking that the teachers were presently paying 3 1/2.

SENATOR F. LEWIS: Yes they are.

SENATOR MURPHY: So that the state would pay approximately another . . . from both directions another 3 1/2 plus the 5.85 that we're paying in social security?

SENATOR F. LEWIS: That's correct. That's correct.

SENATOR MURPHY: Thank you.

SENATOR F. LEWIS: Which is consistent with every other retirement system.

PRESIDENT: Senator Marvel. Would a Page notify Senator Marvel that we are ready for him. Senator George.

SENATOR GEORGE: Mr. President, one question of Senator Lewis. Is the basic idea behind LB 50 to bring the retirement system of teachers into line with the retirement system that we already have for state employees?

SENATOR F. LEWIS: Absolutely!

SENATOR GEORGE: So . . . I have some doubts with Senator Dworak's questions. I think what we are really doing is here to really bring them up into line with what we already have for state employees, is that correct?

SENATOR F. LEWIS: That's absolutely correct. That's what every member of that committee said. That's what our study showed.